

ANNUAL REPORT
FOREIGN POWER SECURITIES
CORPORATION, LIMITED

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FOR THE
YEAR ENDING OCTOBER 31ST
1929

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Foreign Power Securities Corporation, Limited



Annual Report

For the Year Ending October 31st, 1929



OFFICERS

President

A. J. NESBITT, Montreal

Vice-President

JAS. B. WOODYATT, Montreal

Directors

R. DESPRES.....	Paris
P. DURAND.....	Paris
A. J. NESBITT.....	Montreal
P. A. THOMSON.....	Montreal
JOS. VERSAILLES.....	Montreal
JAS. B. WOODYATT.....	Montreal
ROBT. M. YOUNGS.....	New York

Secretary

L. C. HASKELL

Treasurer

CHAS. JOHNSTONE

Assistant-Treasurer

T. IRVING

Assistant-Secretary

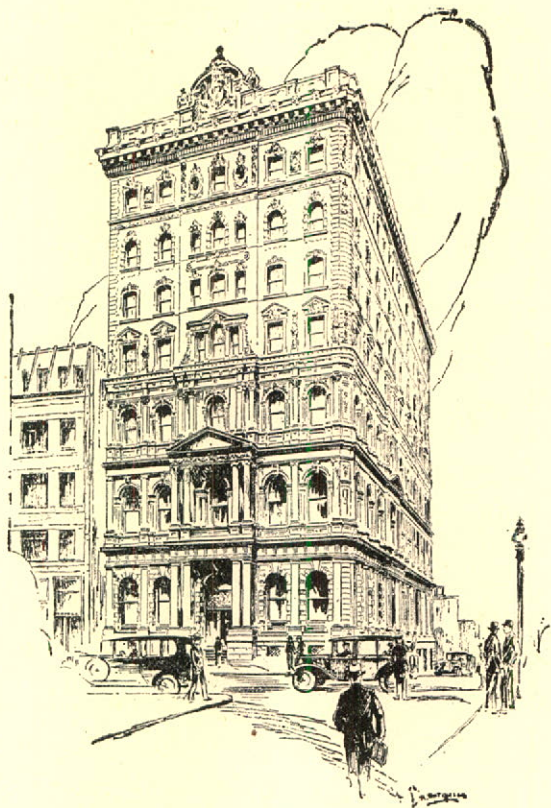
V. J. NIXON

Fiscal Agents

NESBITT, THOMSON & COMPANY, LIMITED

Auditors

PRICE, WATERHOUSE & COMPANY



Head Office:
FOREIGN POWER SECURITIES CORPORATION, LIMITED
and its Fiscal Agents
NESBITT, THOMSON & COMPANY, LIMITED
355 St. James Street West
MONTREAL

FOREIGN POWER SECURITIES CORPORATION, LIMITED

355 ST. JAMES STREET WEST

MONTREAL

February 10, 1930.

To the Shareholders:

Substantial progress of your Corporation is shown in the Second Annual Report which is herewith submitted by your Directors.

France is in a fair way to become one of the best lighted countries of the world. Fifty-five per cent of the districts are now being served with electricity and eighty per cent of the population is included in these districts. M. André Tardieu, Prime Minister of France, has stated in the press that if progress continues at the same rate, every French village will have electricity within five years.

It is therefore not surprising that the holdings of your Corporation in several rapidly growing French public utility companies have substantially increased in market value since our previous report. For instance, according to the last annual report, for the year 1928, of L'Energie Industrielle, in which Foreign Power Corporation holds a substantial interest, the net earnings have increased 148% since your Corporation became interested in its stock, and the 39 other power companies in France or the French Colonies in which your Corporation is directly or indirectly interested have all been expanding at a gratifying rate.

During the month of June 1929, a new \$5,000,000 issue of 6% Twenty Year First Collateral Trust Convertible Bonds (series A) was sold to the investing public. Over \$2,000,000 of this issue was taken by investors in Europe who are acquainted with the properties in which your Corporation has an interest. The proceeds from the sale of these bonds were used to retire loans incurred in the acquisition of shares of French public utility companies and to further extend our holdings in such companies.

During the fiscal year the Compagnie Hydro-Electrique du Verdon, in which your Corporation is largely interested began the construction of two hydro-electric plants on the Verdon River at Castillon and Castilanne, where a total capacity of 90,000 H.P. will be generated. These plants, which will be in operation by the end of 1931, are located within easy transmission distance of Marseilles, Toulon, Lyon and the Riviera.

The Hydro-Electrique Armoricaire, a subsidiary of L'Energie Industrielle, in which your Corporation is interested directly as well as indirectly through

its interest in the parent company, has completed a 20,000 H.P. plant in Brittany. This plant is the only water power development in this region which has been served hitherto by steam plants.

The Compagnie du Gaz de Lyon, a very important subsidiary of L'Energie Industrielle, serving as it does the City of Lyon with both gas and electricity as well as the district surrounding Lyon, is expanding rapidly. This Company has one of the most progressive sales departments of any of the public utilities in France, and its progressive methods are producing substantial increases in business.

L'Energie Electrique Rhone et Jura, in which your Corporation is directly interested, has under construction a 40,000 H.P. plant on the Ain, close to its 50,000 H.P. plant on the Rhone, which should be ready for operation in 1931. The output of the new plant has been practically all contracted for, so that it is necessary for this Company to immediately commence work on the first of a series of developments on the Valserine, and it is expected that this Company will occupy a very important position amongst the large wholesale power producers in France.

A number of the other utilities in which your Corporation is interested have extensive expansion programs under way and most of them are extending their interconnections to embrace a number of municipalities beyond the boundaries of the territories now being served.

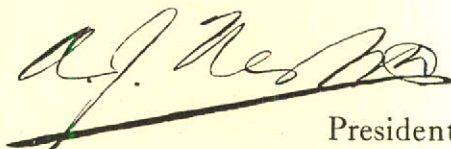
The public utilities in which your Corporation is interested operate in practically all parts of France, with the exception of the North Eastern section.

Practically all of the securities are income bearing and the earnings derived therefrom has justified the declaring by your Directors of a dividend of one dollar per share on the no par value Common stock payable on January 20th, 1930, to shareholders of record on December 31st, 1929.

During the year your Directors disposed of some of their holdings in some companies at a good profit and increased their interest in other companies.

Your Directors feel that the optimism expressed in the previous annual report has been fully justified and that the industrial progress of France will continue with resulting increased demands for power generated by the Companies in which your Corporation holds substantial interests.

Respectfully submitted on behalf of the Board,

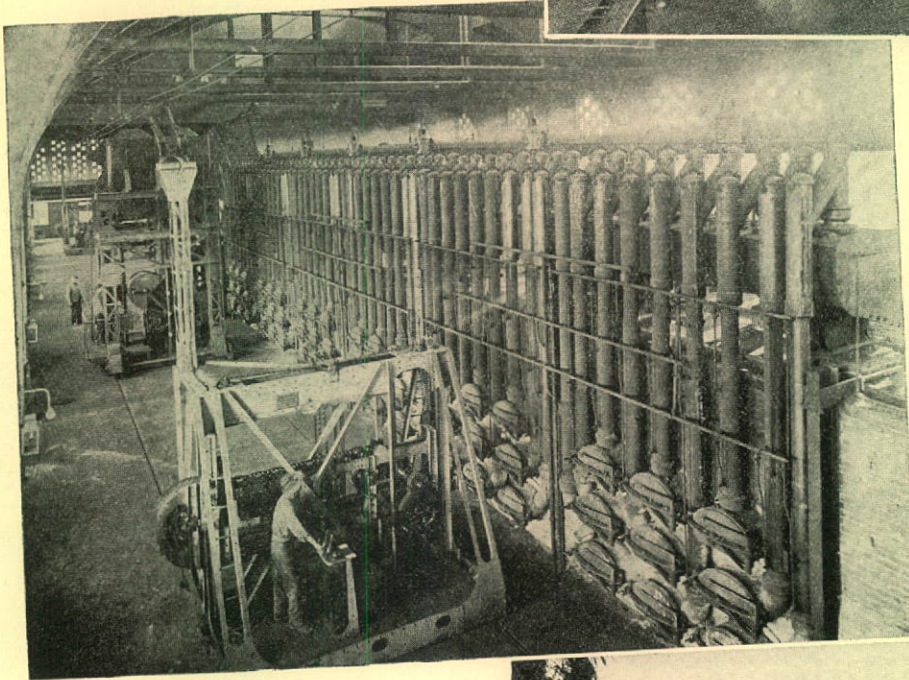
A handwritten signature in dark ink, appearing to read "A. J. Resor". The signature is written in a cursive style with a long horizontal stroke extending to the left.

President.

RIGHT—*Interior view of
Power Plant at
Antelomita, Mad-
agascar.*



LEFT—*Interior Gas
Plant, Gaz
de Lyon.*



RIGHT—*Offices of the Hydro-
Electrique Basses
Pyrenees at Bayonne.*



The various companies operate in a great many widely separated sections in France, serving different types of industry. Foreign Power thus enjoys the advantage of wide diversification.

FOREIGN POWER SECURITIES

Balance Sheet as at

ASSETS		
	1929	1928
Investments at Cost	\$11,385,948.60	\$8,172,333.38
Cash and Call Loans	2,374,469.85	23,866.24
Accrued Interest	94,744.12	48,584.39
Prepaid Accounts	11,916.50	2,686.64
Discount on Bonds	308,750.00	
Incorporation Expense		8,899.68
	<u>\$14,175,829.07</u>	<u>\$8,256,370.33</u>

Approved on behalf of the Board: A. J. NESBITT }
 JAS. B. WOODYATT } Directors.

ES CORPORATION, LIMITED

at October 31st, 1929

LIABILITIES

TO THE PUBLIC:	1929	1928
First Collateral Trust 6% Convertible Gold Bonds, Series "A" Authorized \$50,000,000.....	\$5,000,000.00	
Bills Payable.....	747,024.00	369,650.00
Bond Interest Accrued.....	125,000.00	
Preferred Dividend, payable Nov. 15th, 1929.....	75,000.00	75,000.00
Accounts payable.....	5,370.05	4,182.44
	<u>\$5,952,394.05</u>	<u>\$448,832.44</u>
TO THE SHAREHOLDERS:		
Preferred Stock:		
Authorized—50,000 Shares \$100. each.		
Issued —50,000 Shares \$100 each.....	\$5,000,000.00	\$5,000,000.00
Common Stock: (of No Par Value)		
Authorized.....	250,000 shares	
LESS: Held for exchange of Stock		
Warrants and conversion of Bonds..	125,000 shares	
Outstanding:	<u>125,000 shares</u>	
Representing equity in Capital & Surplus.....	3,223,435.02	2,807,537.89
	<u>\$14,175,829.07</u>	<u>\$8,256,370.33</u>

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have examined the books and accounts of Foreign Power Securities Corporation, Limited, for the year ending October 31st, 1929, and have received all the information and explanations we have required. We have verified the securities by inspection or by certificates from the depositaries, and we certify that the above Balance Sheet at October 31st, 1929, in our opinion, shows the true financial position of Foreign Power Securities Corporation, Limited, at that date, according to the best of our information and the explanations given to us, and as shown by the books of the Corporation.

MONTREAL, January 9th, 1930.

(Signed) PRICE, WATERHOUSE & Co.,
Auditors.

Foreign Power Securities Corporation, Limited



Statement of Earnings



	18 Months Ending Oct. 31st, 1928	12 Months Ending Oct. 31st, 1929
Revenue.....	\$341,039.70	\$520,092.80
Profits from Investments realized.....	122,820.77	416,887.24
Gross Earnings.....	<u>\$463,860.47</u>	<u>\$936,980.04</u>
Expenses.....	15,745.76	42,532.60
Taxes.....	4,723.70	2,832.64
	<u>\$20,469.46</u>	<u>\$45,365.24</u>
Net Earnings.....	443,391.01	891,614.80
Interest.....	9,073.48	134,950.02
Surplus for Year.....	434,317.53	756,664.78
Surplus Brought Forward.....		147,537.89
	<u>\$434,317.53</u>	<u>\$904,202.67</u>
Dividends on Preferred Stock.....	286,779.64	300,000.00
Discount on Bonds.....		16,250.00
Organization Expenses.....		24,517.65
Surplus Carried Forward.....	<u>\$147,537.89</u>	<u>\$563,435.02</u>

Foreign Power Securities Corporation, Limited



Revenue Account

For the Year Ending October 31st, 1929



Dividends and Interest from Investments		\$520,092.80
Profit from Investments Realized		416,887.24
Interest	\$134,950.02	
Expenses	45,365.24	
Balance	756,664.78	
	<u>\$936,980.04</u>	<u>\$936,980.04</u>

Profit and Loss Account

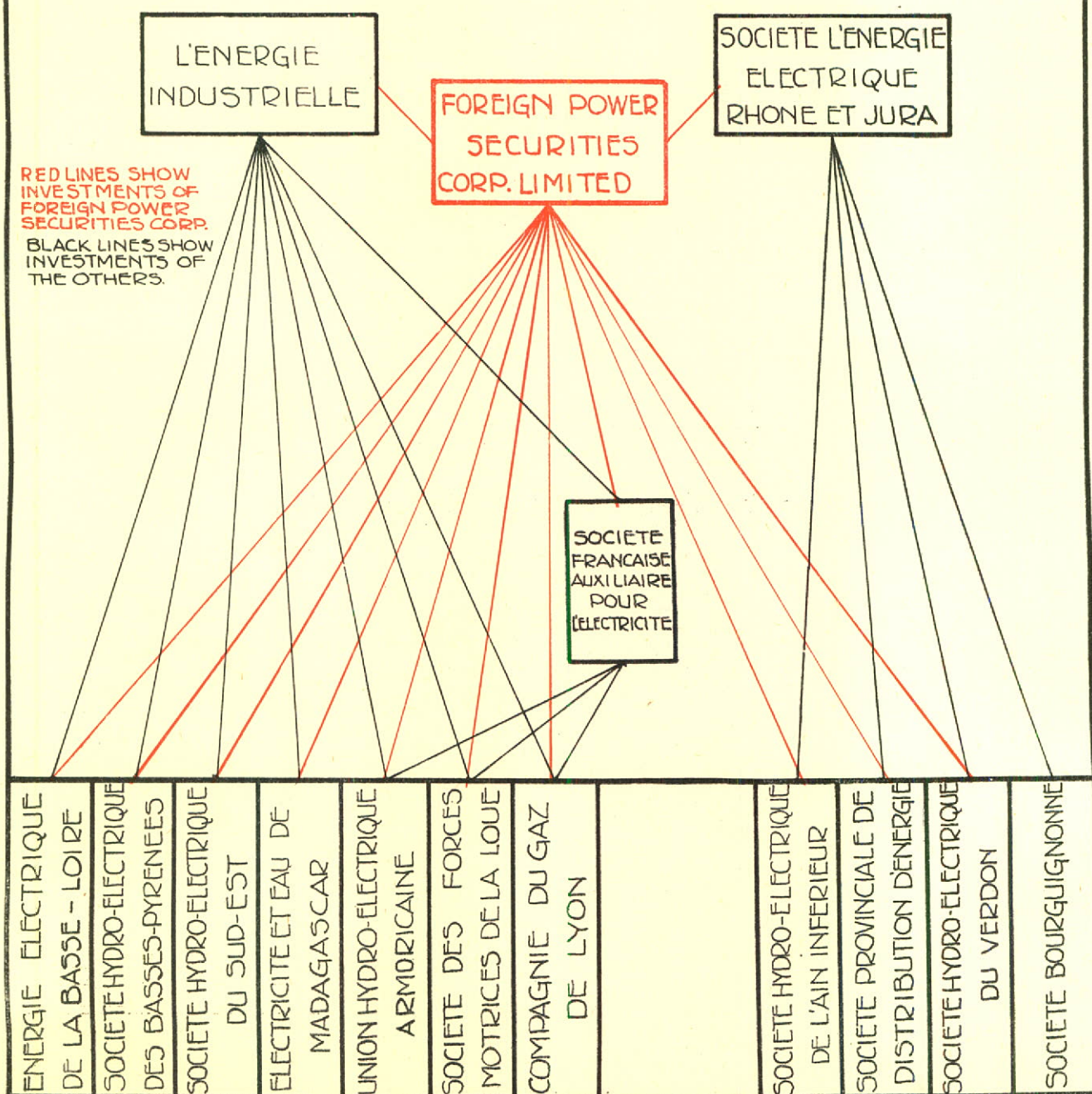
For the Year Ending October 31st, 1929



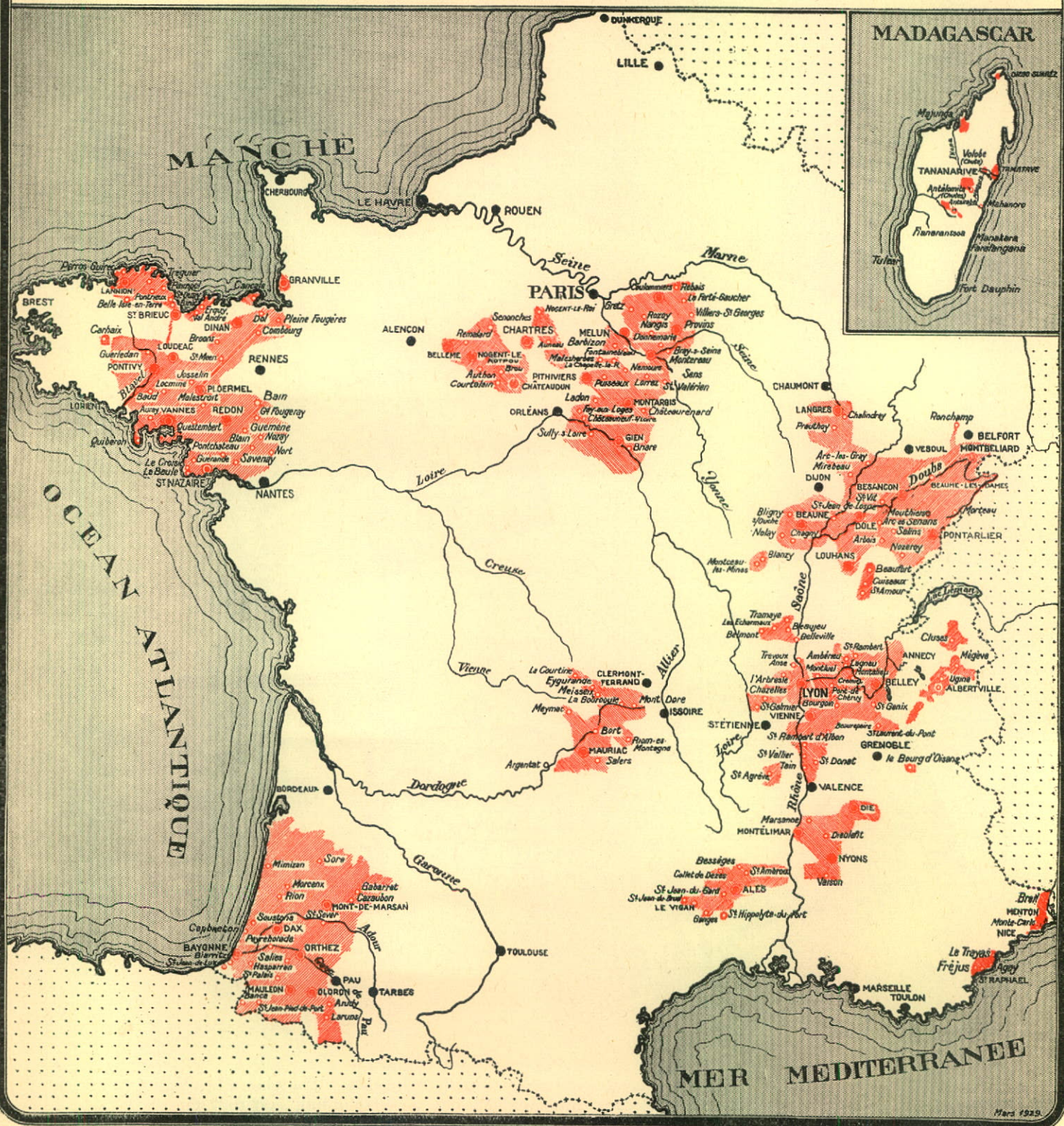
Balance at Credit October 31st, 1928		\$147,537.89
Earnings for year ending October 31st, 1929		756,664.78
Discount on Bonds	\$16,250.00	
Organization Expenses	24,517.65	
Dividends on Preferred Stock	300,000.00	
Balance at Credit October 31st, 1929, subject to deduction for Income Tax	563,435.02	
	<u>\$904,202.67</u>	<u>\$904,202.67</u>

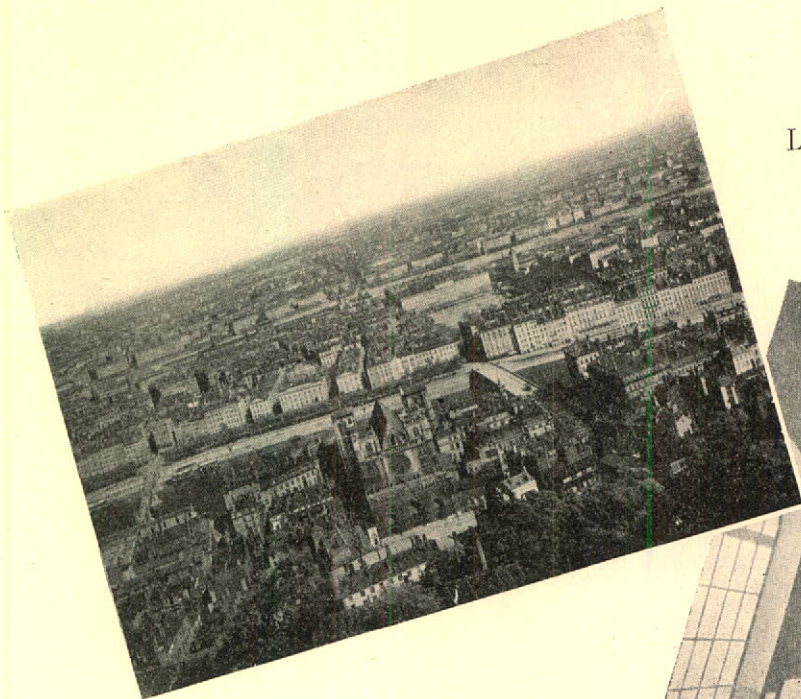
Chart
Showing the relationship between
FOREIGN POWER SECURITIES CORPORATION, LIMITED
and

L'ENERGIE INDUSTRIELLE AND SOCIETE L'ENERGIE ELECTRIQUE RHONE ET JURA
and their Principal Subsidiaries

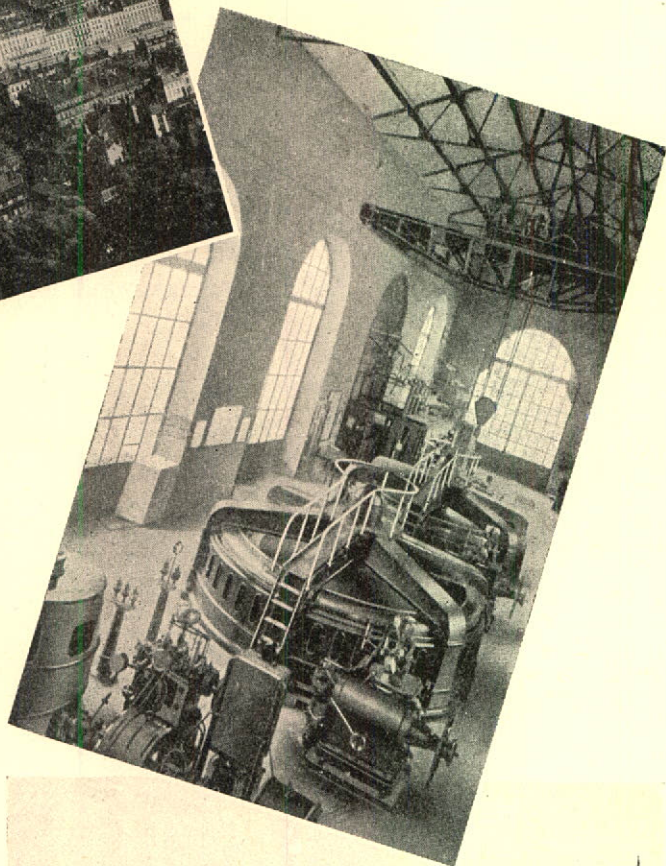


Colored shading shows territory served by
L'ENERGIE INDUSTRIELLE
 and Subsidiary Companies



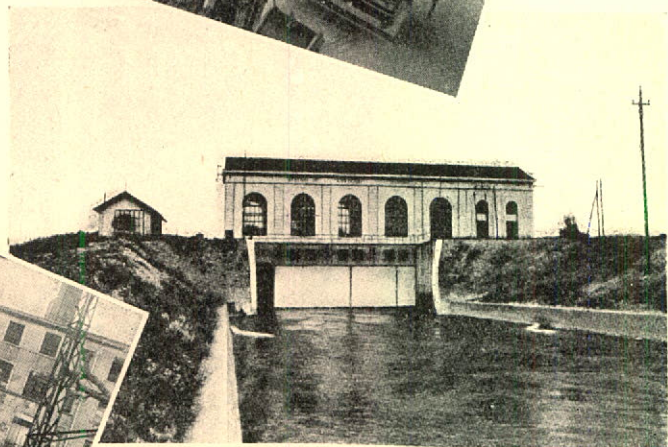
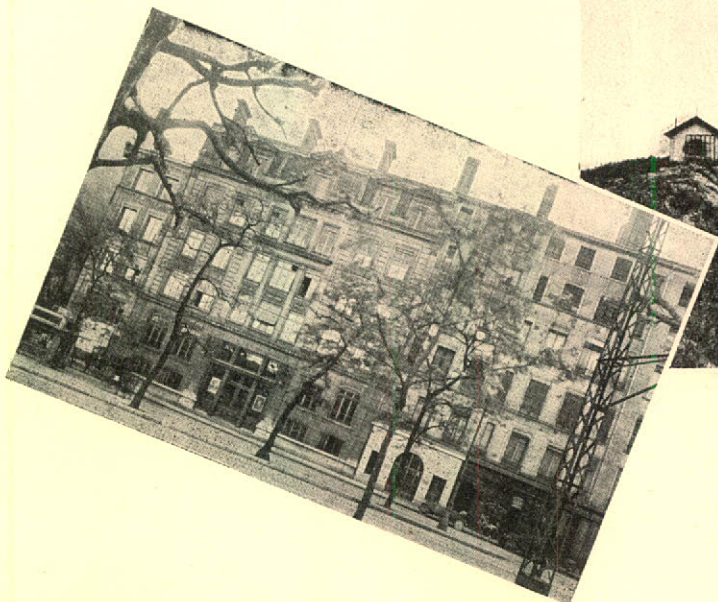


LEFT—*Bird's eye view of Lyon.*



RIGHT—*Interior Power House at Chatelot, Société Electrique de Belchamp*

BELOW—*Head Office, Gaz de Lyon.*



ABOVE—*Power House at Chatelot, Société Electrique de Belchamp.*

Lyon is one of the most prosperous cities of Southern France. The Gaz de Lyon not only serves this important municipality, but a surrounding territory embracing a total population in excess of 1,000,000 people.

